

Regulatory Announcement

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HAMBLEDON MINING PLC

More gold, lower construction costs

Update on progress

Hambledon Mining plc ("Hambledon" or the "Group" or the "Company"), the AIM-listed mining and exploration company developing precious metal deposits in Kazakhstan, is pleased to announce significant progress in both the mining and construction activities at the Sekisovskoye Gold Project. Refurbishment of the Ognevka treatment plant for the production of copper/gold/silver concentrate as well as other valuable by-product concentrates has also commenced.

Highlights

- Mining activities are continuing at Sekisovskoye, with over 1.0 million cubic metres of material moved since the commissioning of the mining fleet in June 2006
- Grade control drilling has confirmed the style of mineralisation predicted by our geological model and shows an increase of 18% in contained gold in that area. This is consistent with previous results where western drilling at Sekisovskoye has shown higher contained gold than Soviet drilling had indicated
- The construction costs are likely to be less than the budget set in June 2006, although time requirements have been extended
- Wholly owned "TOO Ognevka" has begun refurbishment of the Ognevka treatment plant and commenced a study into the additional recovery of feldspar from tailings

Sekisovskoye update

Mining operations have continued with cutback excavations, tailings dam construction and other support for mill facilities construction activities. Mining has exceeded targets for all but one month since beginning in June 2006,

with over 1.0 million cubic metres of material moved.

Construction of the mill facilities is ongoing. Although delays have been experienced from late delivery of our main ball mills and poor performance from local construction contractors, all major equipment items have now been installed, are in store or in transit. Our first ball mill has now arrived and will be installed by the end of May and the second, which has been completed and is awaiting shipment, is planned to be installed by the end of June. This delivery schedule is some nine months later than contracted, reflecting the extraordinary demand for mining equipment which certain suppliers have been unable to properly schedule or fulfil.

Whilst the standard of work performed by some contractors has been excellent, the timeliness in some cases has been poor. The principal reason is that only a limited number of such contractors are authorised to carry out certain types of work essential to the project, leaving little room for selection or negotiation. The Company's response has been to take on suitably experienced staff so as to allow the Company to acquire the necessary licences to do the work itself. To this end, the Company is now licensed to carry out electrical design and to construct tailings dams, processing facilities and buildings. All construction work is now under the direct management of Company staff, with only direct labour being subcontracted. The result has been an improvement in both the timeliness and quality of the work and a significant reduction in cost. Similarly, the Company's mining fleet far outstrips the efficiency available from local earth-moving contractors. Large sections of the work associated with site preparation and tailings dam construction have been carried out by the Company's own fleet, resulting in further significant cost savings which will impact both the initial construction and the ongoing tailings dam development costs. Additions to the earth-moving fleet to enable this work to be done have been authorised and their cost will be recouped within the commissioning period.

The new powerline has been completed and connection to the new supply was made on 3 May. The main transformer has arrived on-site and will be installed immediately. The commissioning of the process plant will begin with the crushing plant later this month and will continue with the remaining sections progressively through June and July. Regulations in Kazakhstan mean that final approvals to allow for procurement of certain reagents cannot be applied for until the completion and inspection of the associated storage and mixing facilities. No significant delay is expected but it is not possible to predict the time-line exactly.

Exploration

Open Pit Grade Control Results - Sekisovskoye

Blasting on the 480-490m elevation bench, in the central area of the designed pit, necessitated the taking of blasthole drilling samples for demarcating the limits of ore zones, as defined by a 0.5g/t Au cutoff. This ore zone was defined by 134 blastholes from which 723 one metre length samples were assayed for contained gold. A 3-D wireframe model representing this ore zone was used to control the generation of a block model. Gold grades for the model blocks were estimated, using the blasthole assays, and these blocks were added to the original grade model, as defined from the exploration diamond drill samples, for direct comparisons between the two model types. Overall, the blasthole grade model confirmed the validity of the exploration resource model in this area. The results were as follows:

Model	Au gm/t	Tonnage	Contained Au oz
Exploration	1.45	12,900	601.4 (18,705gm)
Grade control	1.46	15,074	707.6 (22,008gm)
Percentage increase	0.7%	16.9%	17.7%

Even with the increase in tonnage, partly due to the effects of dilution, the grade control model is still higher than the original grade model, and the overall increase in contained metal is 18%, which equates with earlier statistical analyses that indicated an upgrading of contained gold, from the former-Soviet drilling results, in the order of +17%. It is predicted that this trend is likely to continue for the whole of the deposit, especially in areas of sparse sampling and at depth where the probability of finding additional gold mineralisation is high.

Geological exploration - Tserkovka

Results of a 5,000m exploration drilling programme, to determine the magnitude and continuity of gold mineralisation, as indicated from favourable historical sampling, indicated that contained gold in exploitable commercial quantities was not apparent. This exploration activity was centred along strike at Tserkovka, situated 5km NW from the Sekisovskoye open pit operations. The exploration drilling also included two small target areas, situated NW at 6km and 2km.

A total of 45 diamond drillholes and 4 minor surface trenches contained an average of 102m linear metres ranging from 24m to 323m. Gold grades from the 4,347 core and trench samples showed a range in values from 0.0g/t to 46.8g/t and silver values ranging from 0g/t to 903.6g/t. A number of drillhole intersections contained favourably mineralised breccias and dykes, similar to the geology at the Sekisovskoye deposit. However, these zones at Tserkovka are relatively narrow and continuity along strike and downdip appears to be limited. The best continuity was found at profile 26 where an interpreted 1.2m wide zone contained 1.0g/t gold and traced for about 90m along dip.

Although the results are disappointing, it is possible these relatively minor gold intersections represent an upper expression of a large auriferous breccia pipe at depth, where the physico-chemical conditions are more appropriate for gold mineralisation. Therefore, as a second phase to the exploration drilling at Tserkovka, further strategic drillholes will be drilled to intersect known favourable breccia zones at depth.

Exploration at Sekisovskoye deposit

Current exploration drilling is centred within the western margins of the open pit where extensions of orebody 11 are being defined for both open pit and future underground exploitation. Analytical results have not been received yet, but mineralised intersections have been observed. Known gold mineralisation, immediately along strike to the Sekisovskoye deposit, will also be target drilled to help better define the extent of gold resources in these areas. Next year, underground drilling will be focused on upgrading the resources and reserves for underground extraction.

Ognevka processing facility

Registration of the acquisition of TOO Ognevka has been completed and the court has approved the rehabilitation plan. Renovation of the clinker treatment facility has commenced.

The first stage of renovation focuses only on those parts of the plant that will be used for the treatment of zinc smelter residues, 150,000 tonnes of which are already on site. However, the plant was originally built to treat the output from an associated mine (to which the Company does not currently have the mining rights) which contains substantial resources of feldspar, with potential by-products including tantalum, lithium, niobium, tin and mica. Production facilities to treat these ores are also in place and can potentially be brought back into use. Whilst the possibility of acquiring the mining rights is a medium term objective, a study is being carried out on the more immediate opportunity to recover substantial quantities of tailings which can be retreated to recover the feldspar and other by-products which were not previously extracted.

The processing facility is configured to treat up to 350,000 tonnes per year of zinc smelter residues, but the first stages of a significant expansion of the facility have already been completed by the previous owners. This includes an extension of the mill building, and construction of the ore handling system and mill-feed storage bins. As soon as production from the existing capacity has been successfully restarted, a study into the completion of the expansion will be carried out.

Enquiries

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Qualified Person

The drilling results in this announcement have been reviewed by Roger Rhodes BSc, MSc, MIMMM, independent geological consultant with Computer Resource Services. He has over 35 years of relevant experience and is a qualified person for the purposes of the JORC Code and the AIM Rules.

Note to editors

Hambledon Mining plc is an AIM-listed gold mining and exploration company which is developing the Sekisovskoye gold deposit and owns the Ognevka processing plant, both of which are close to Ust Kamenogorsk in East Kazakhstan.

At Sekisovskoye, the company is mining from an open pit and constructing an 850,000 tonnes per year treatment plant. Production from the open pit will average over 40,000 ounces per annum. After the start of open pit processing, the Company plans to develop the much larger underground resource which is expected to lead to a combined production rate of around 100,000 ounces per year.

The Ognevka processing plant is being refurbished and will produce concentrates containing gold, silver, copper, iron and coke from the retreatment of zinc smelter residues.

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